

City of Mesa Economic Conditions Update

January 12, 2023



Presented by:

Brian A. Ritschel, Management and Budget Director
Chris Olvey, Management and Budget Deputy Director

mesa·az

Current Mesa Economic Condition

The City of Mesa continues to experience higher than expected revenue growth with retail sales and construction activity being the main drivers. The City is also experiencing a continued growth in the labor force and reduced unemployment rate.

Revenue Forecasting

- The city subscribes to a forecast group out of the University of Arizona which allows for access to raw data regarding econometrics
- Statistical software is applied in house to analyze the correlation between economic trends and the city's revenue sources
- Relevant economic indicators are considered such as: population growth, wages, unemployment, building permits, gas prices, etc.
- Mesa specific factors are applied such as economic development activities, retail trends, etc.

Presentation Overview

1. Financial Status

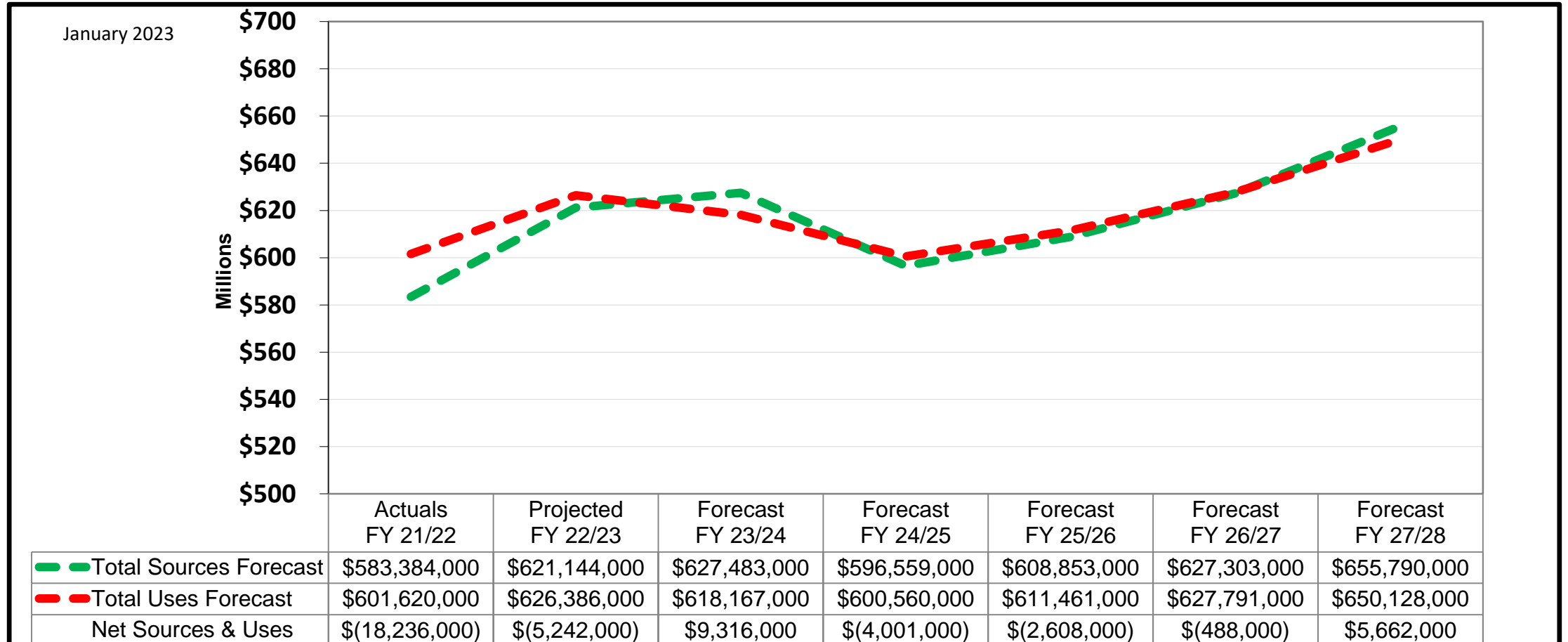
2. Economic Indicators

3. Valley Cities Comparison

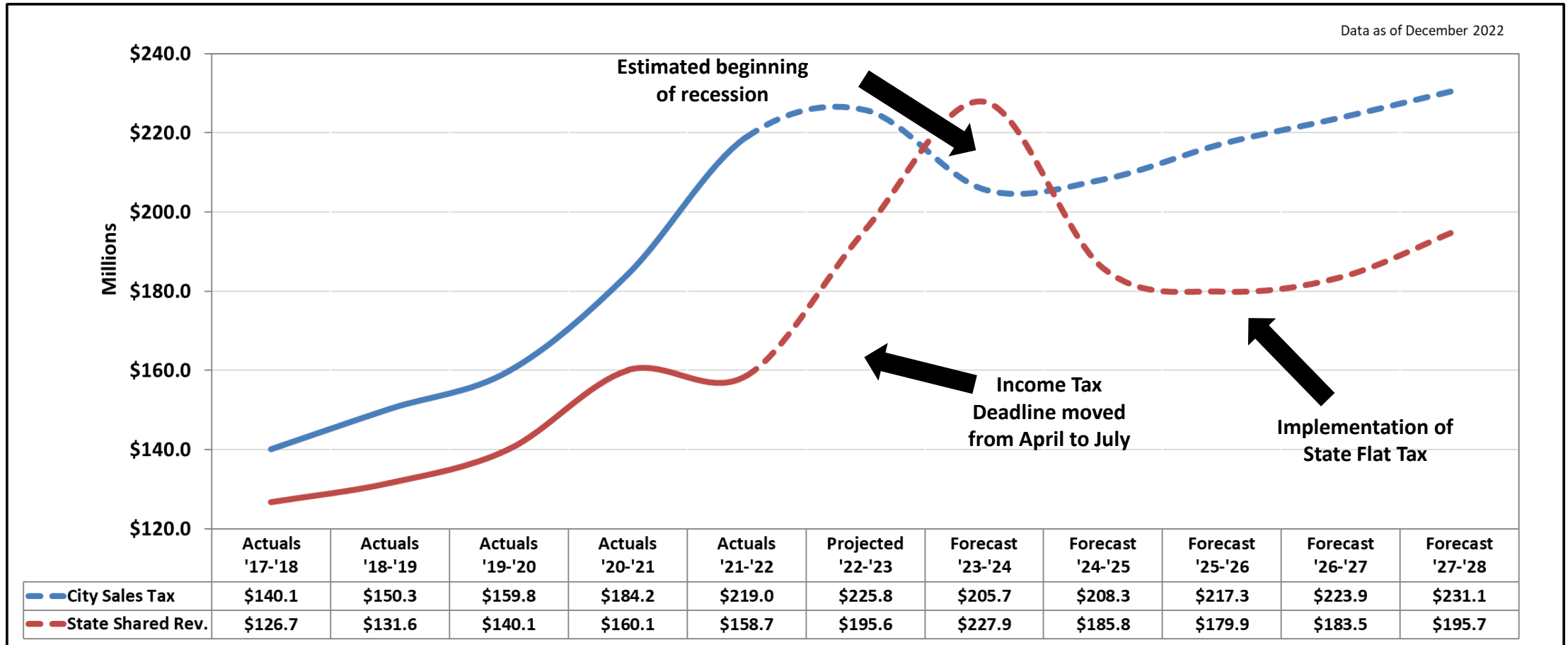
Financial Status



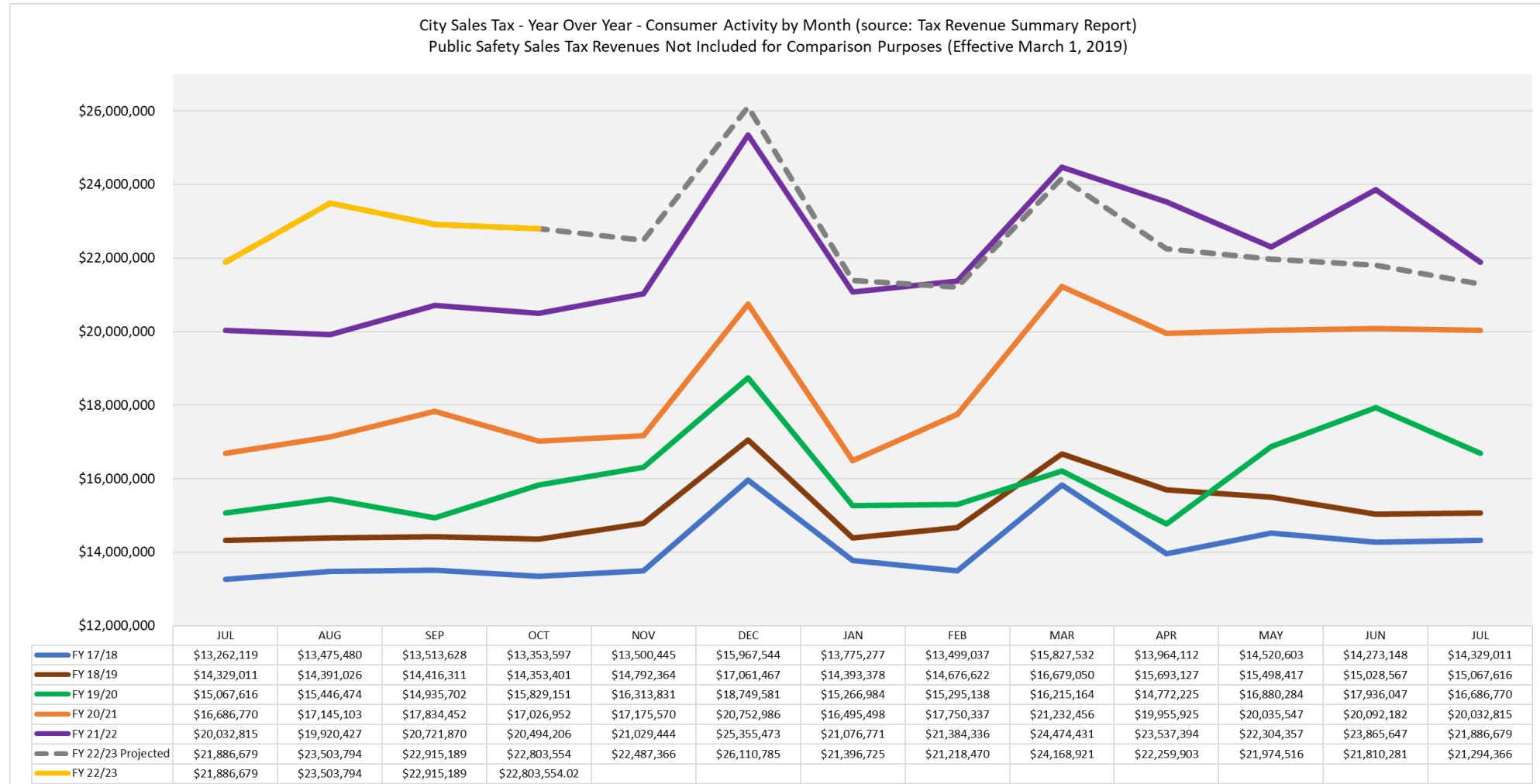
General Governmental Sources & Uses



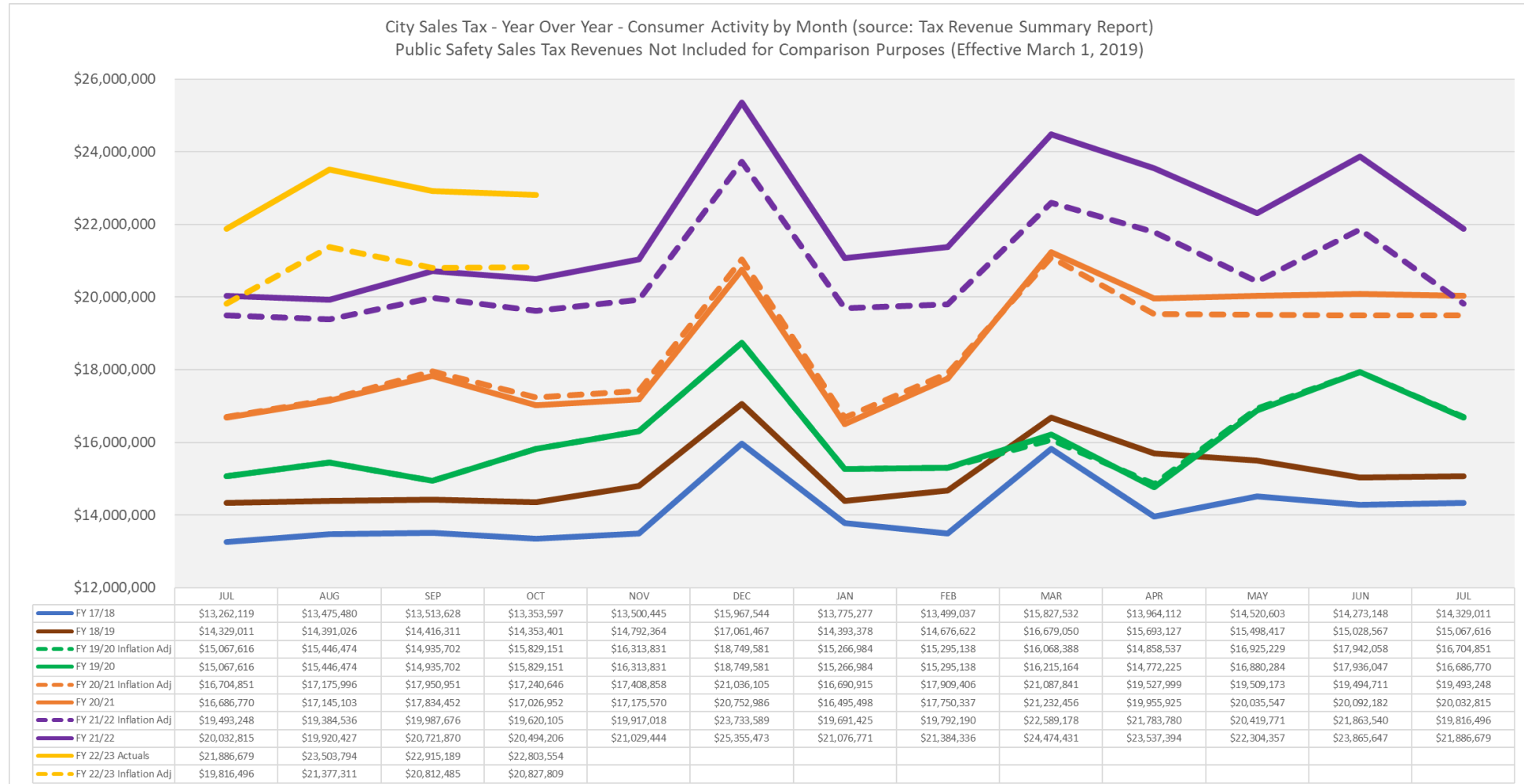
General Governmental Revenues



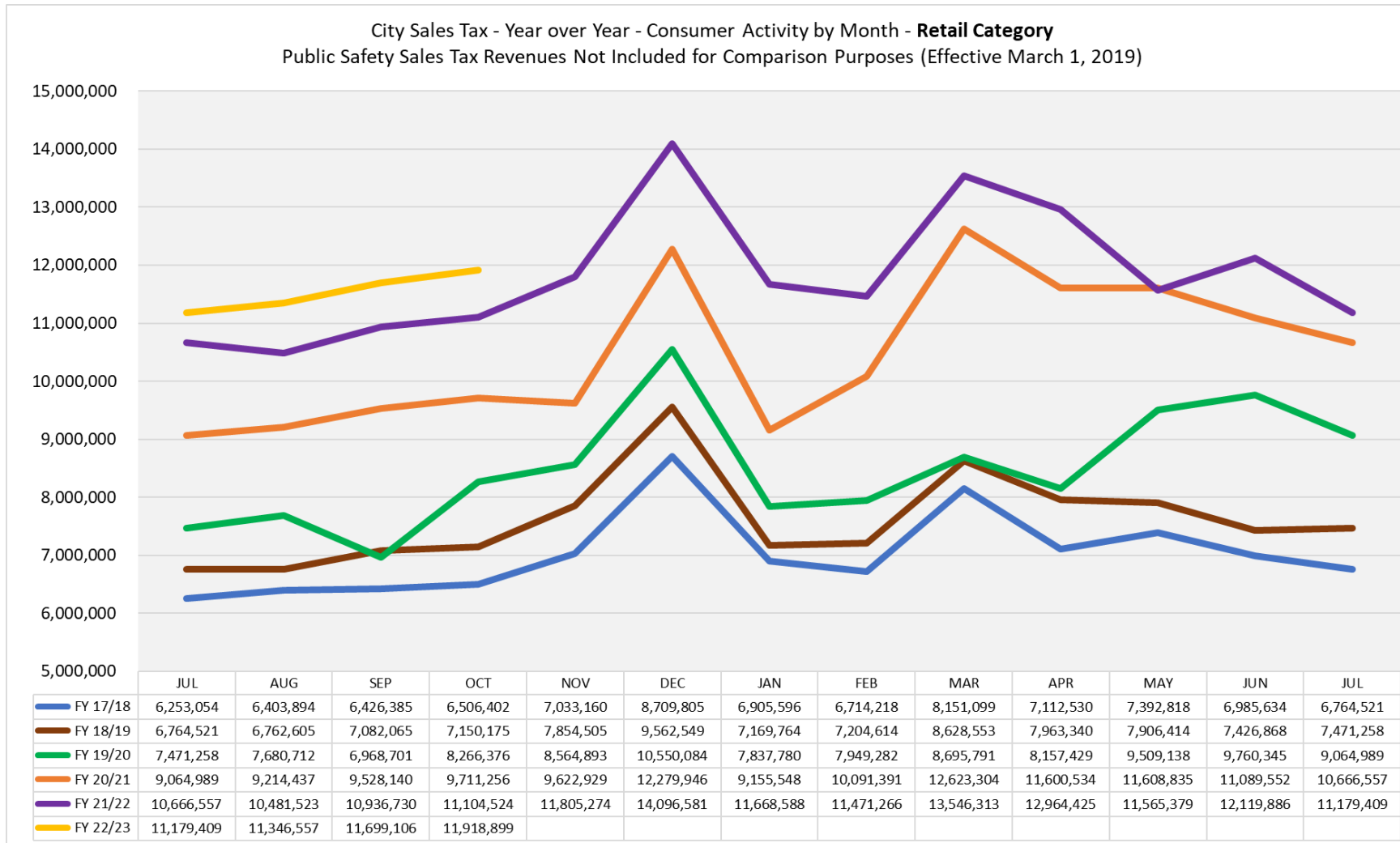
City Sales Tax Revenues



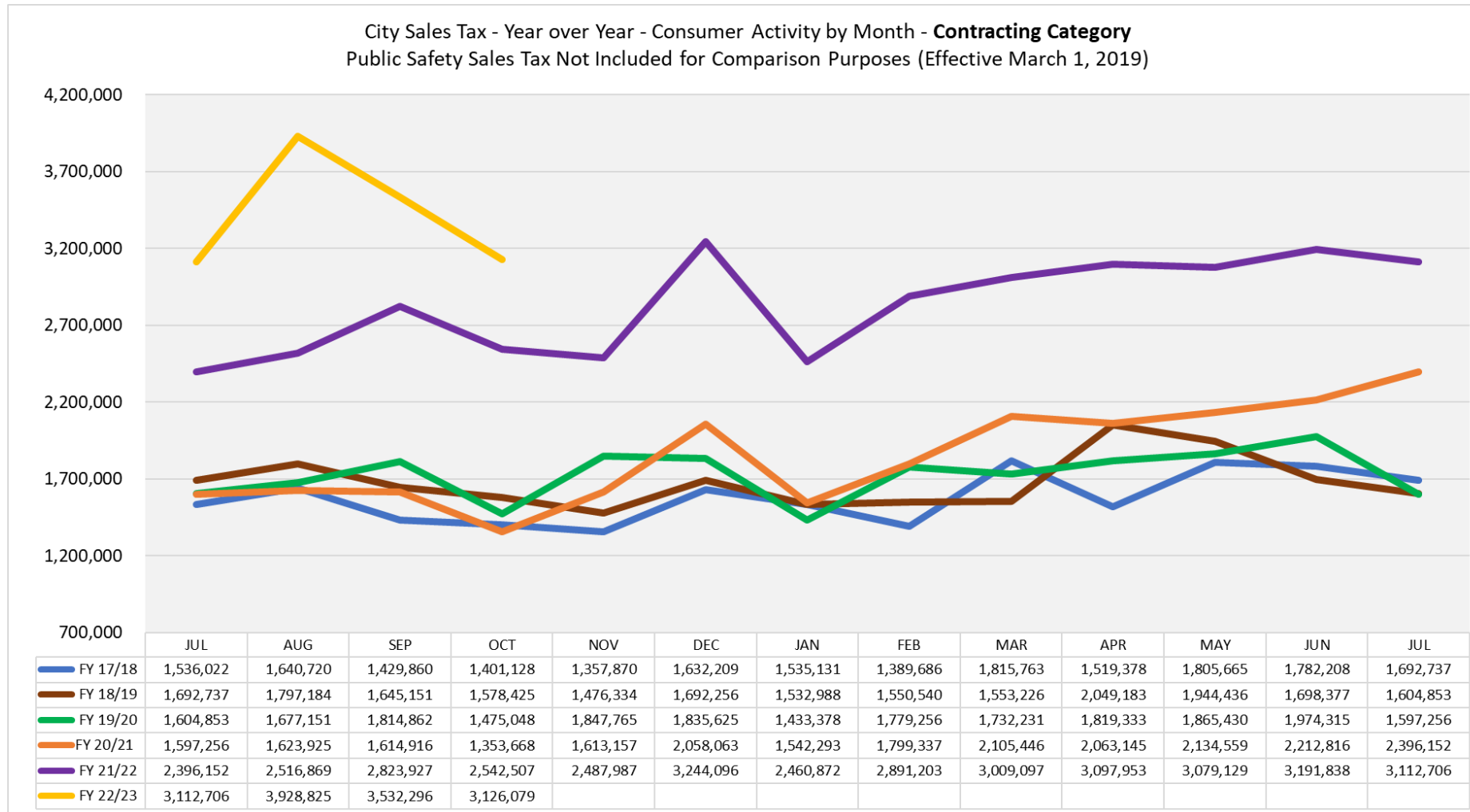
City Sales Tax Revenues – Inflation Adjusted



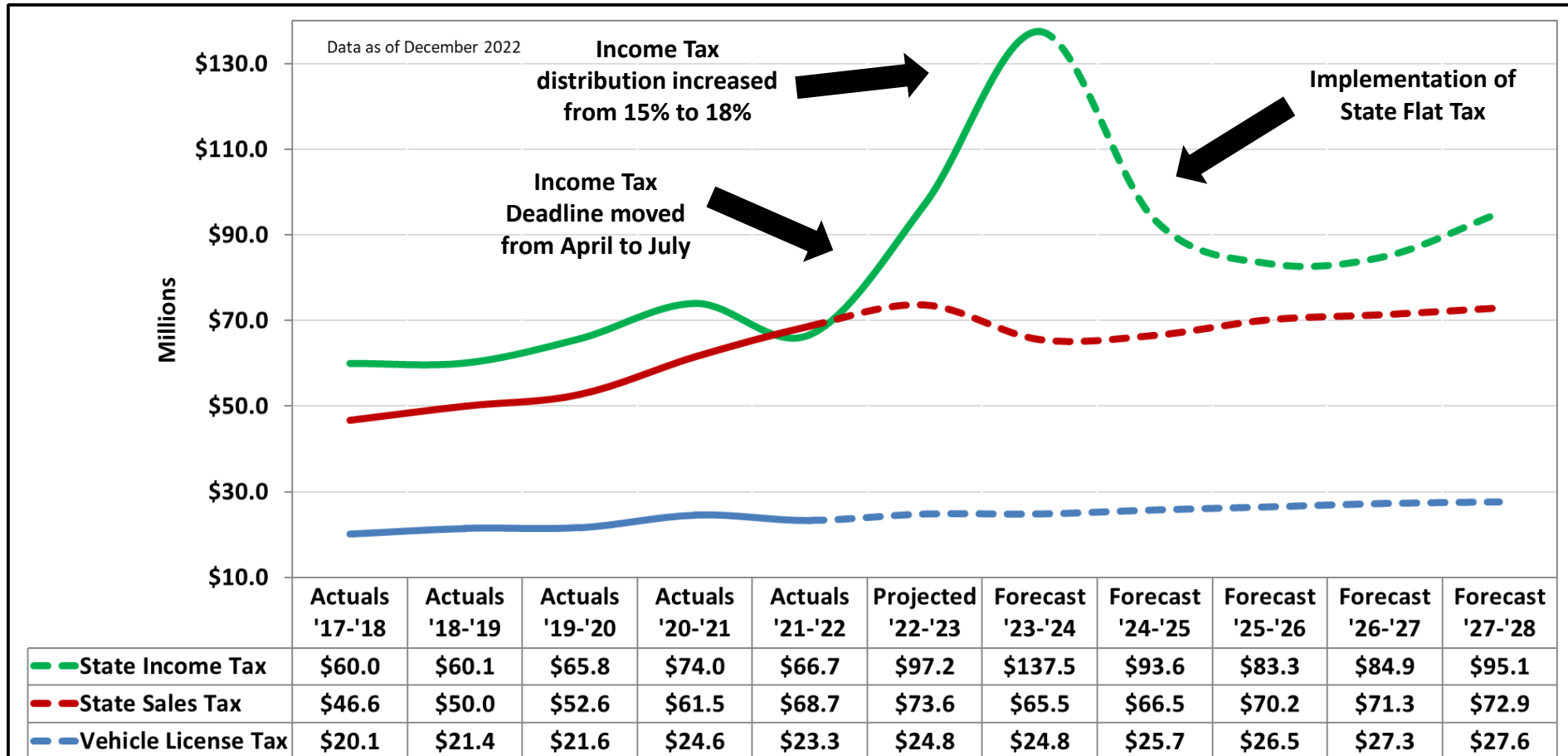
City Sales Tax – Retail Category



City Sales Tax – Contracting Category



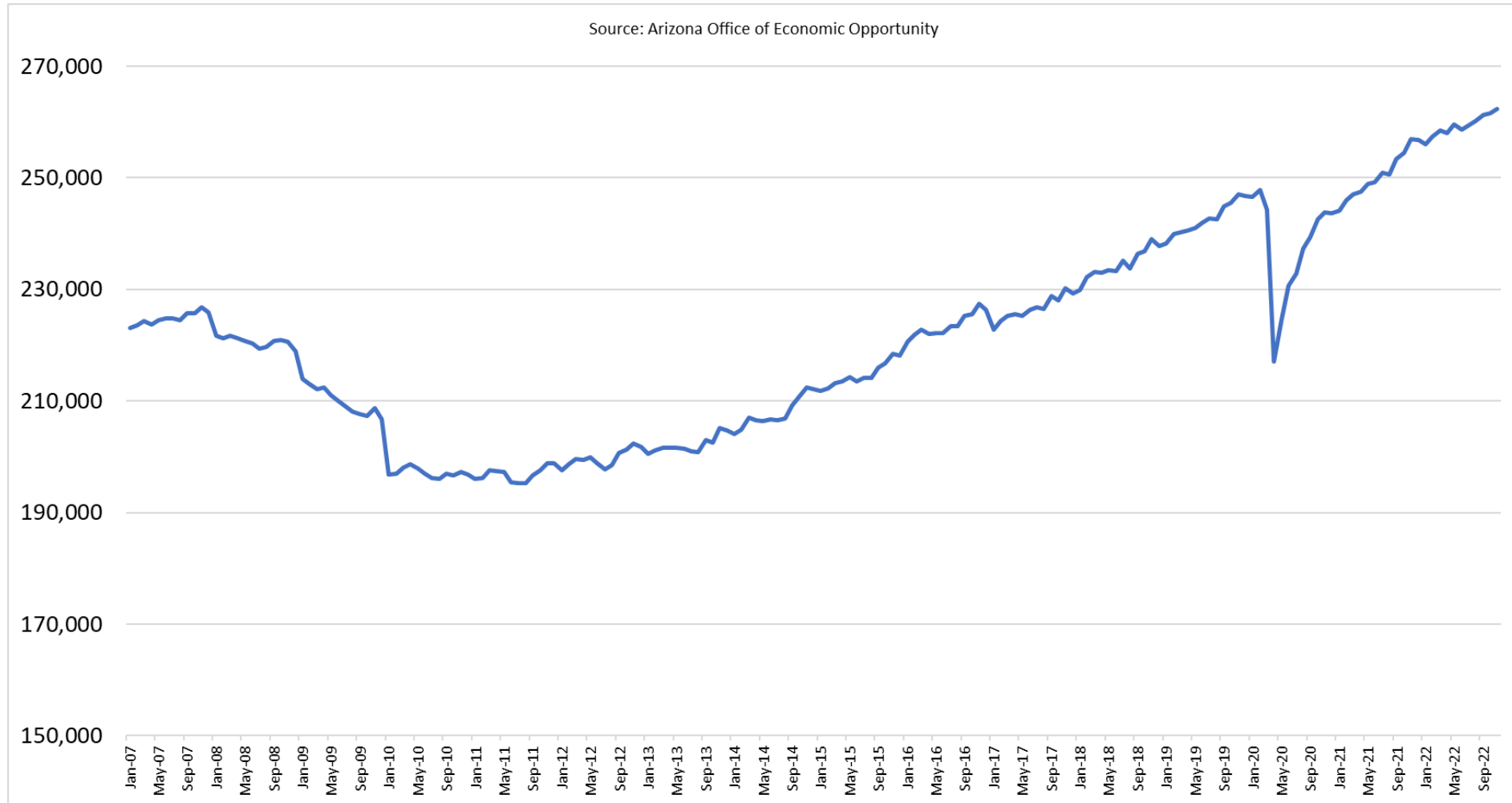
State Shared Revenues



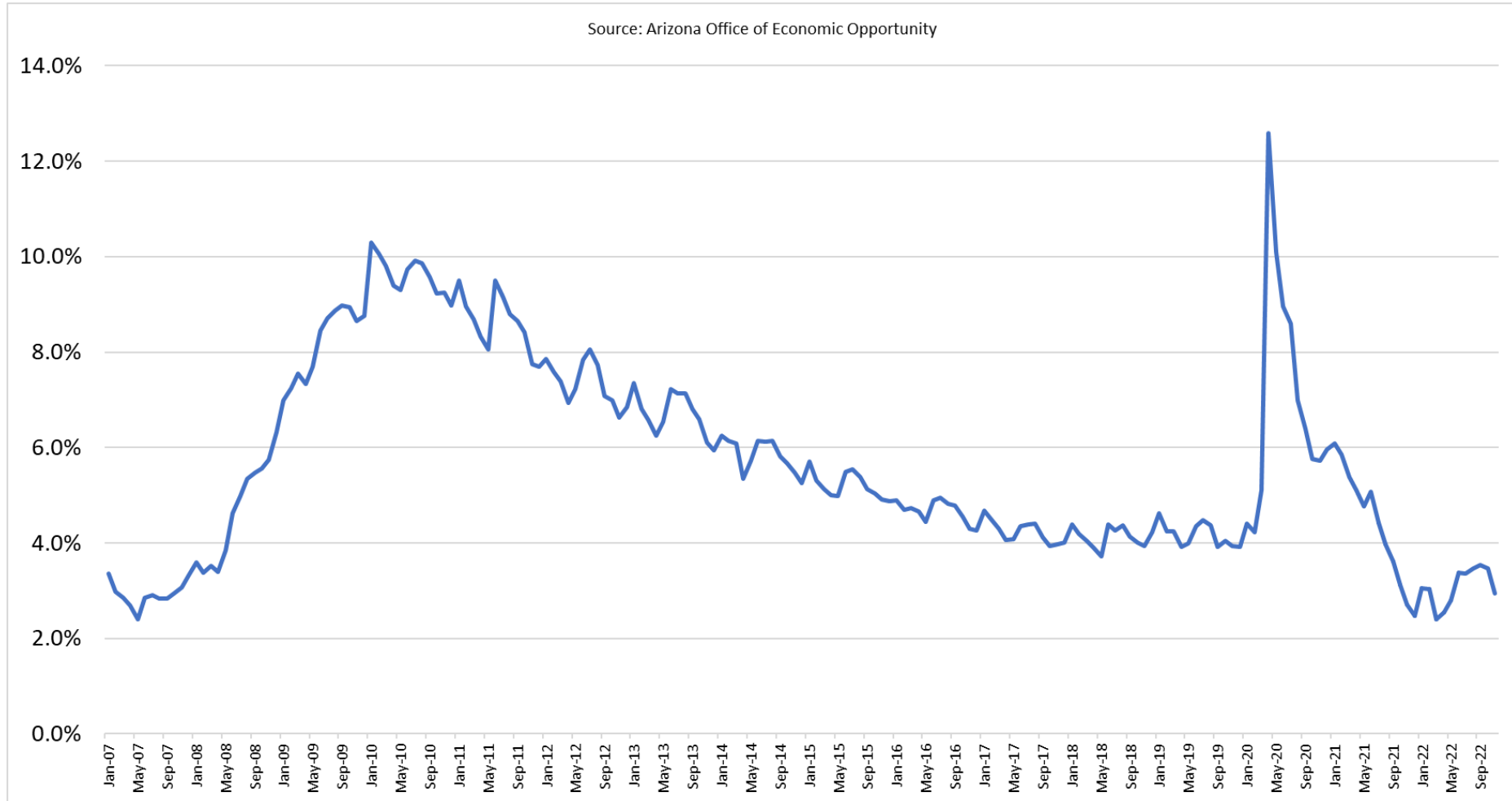
Economic Indicators



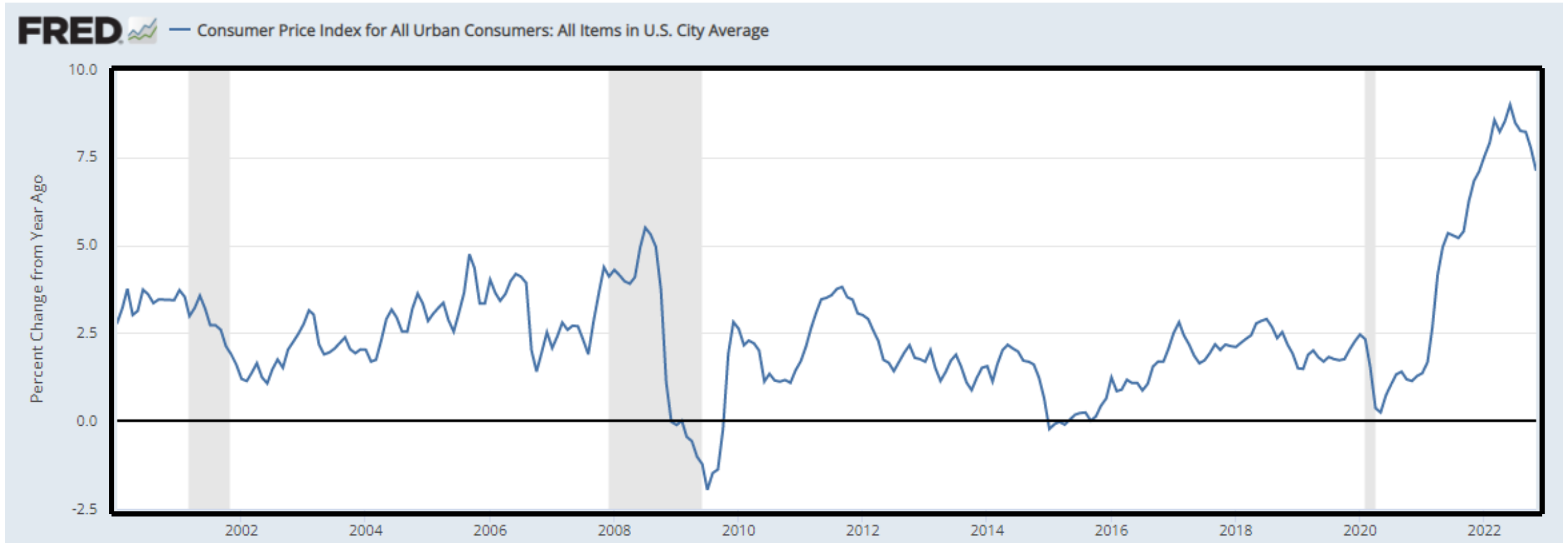
City of Mesa - Employment



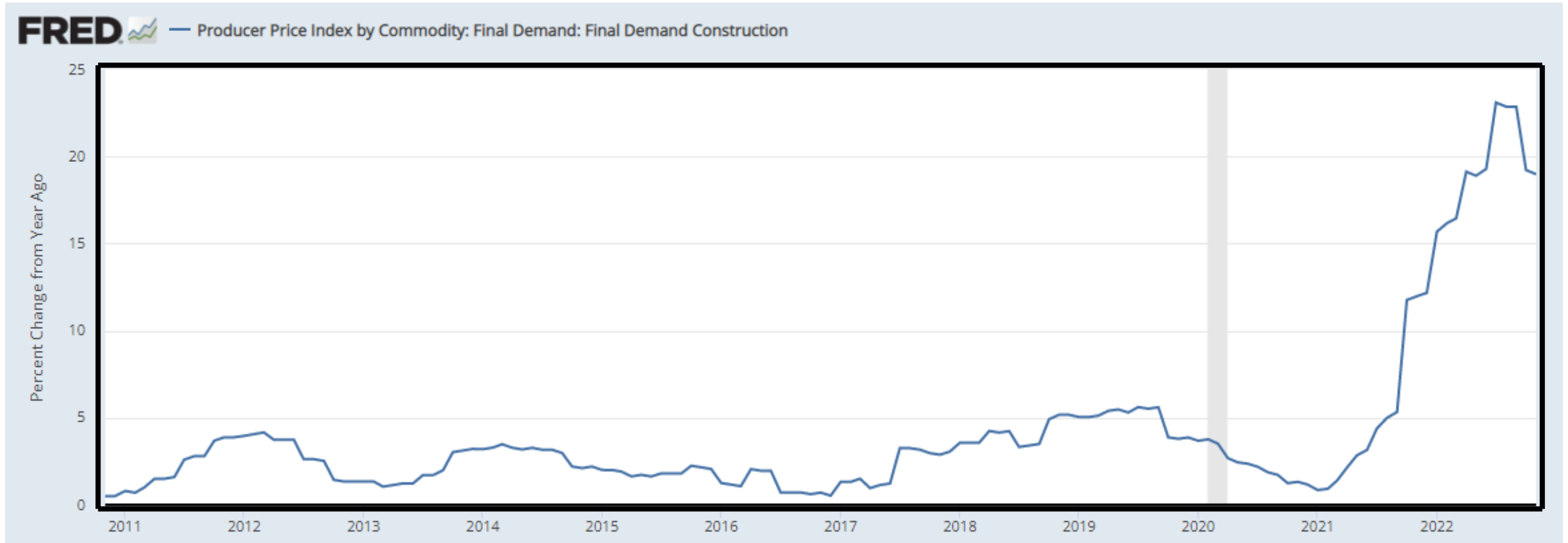
City of Mesa – Unemployment Rate



U.S. Inflation Rate (Consumer Price Index)

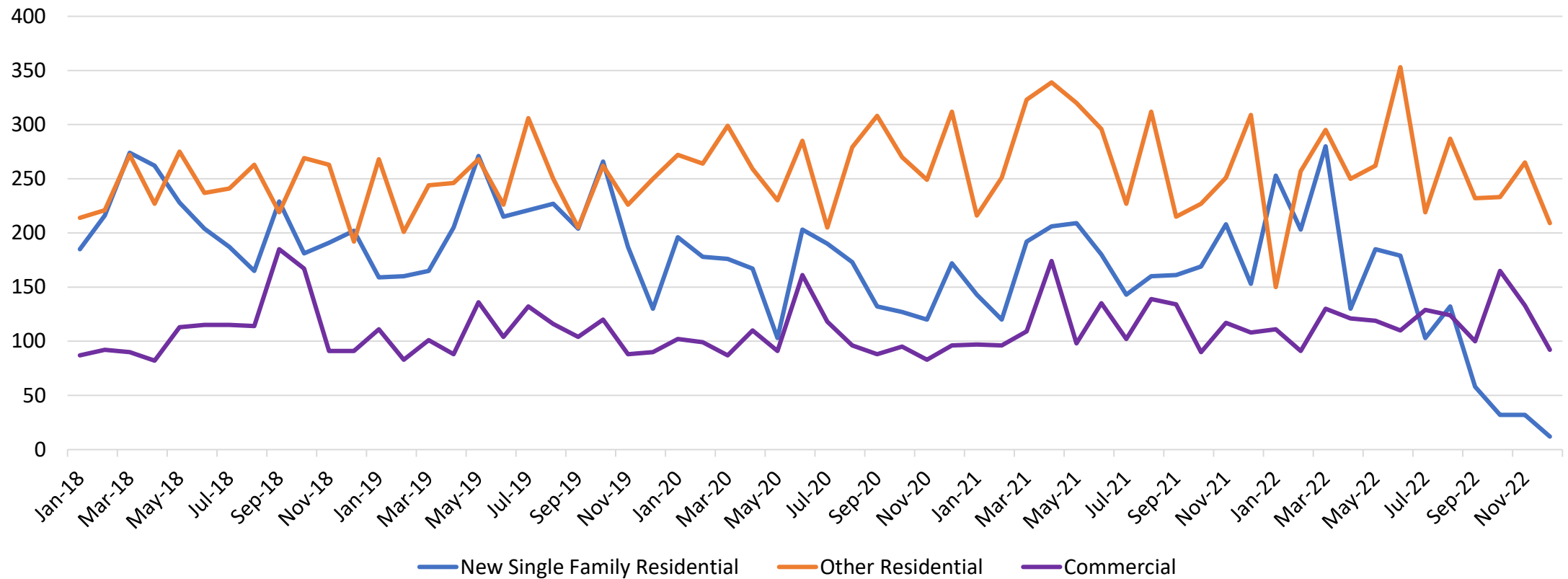


Inflation Category: Construction

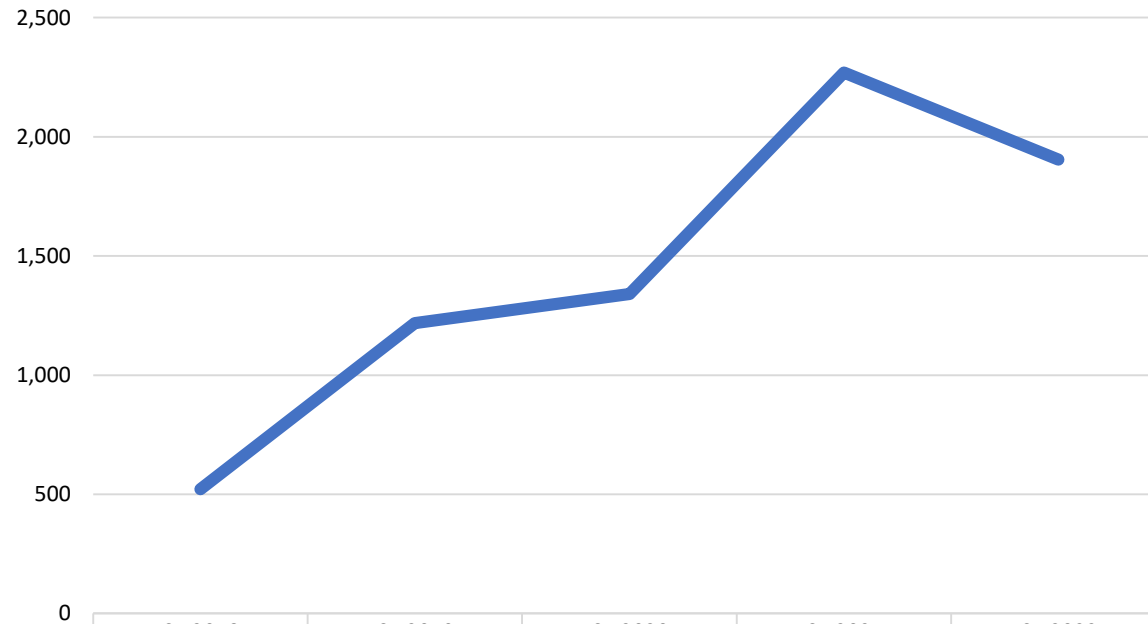


Permit Activity

Number of Permits Issued each Month between
January 2018 - December 2022



Multifamily Residential Permits Issued: Number of Units



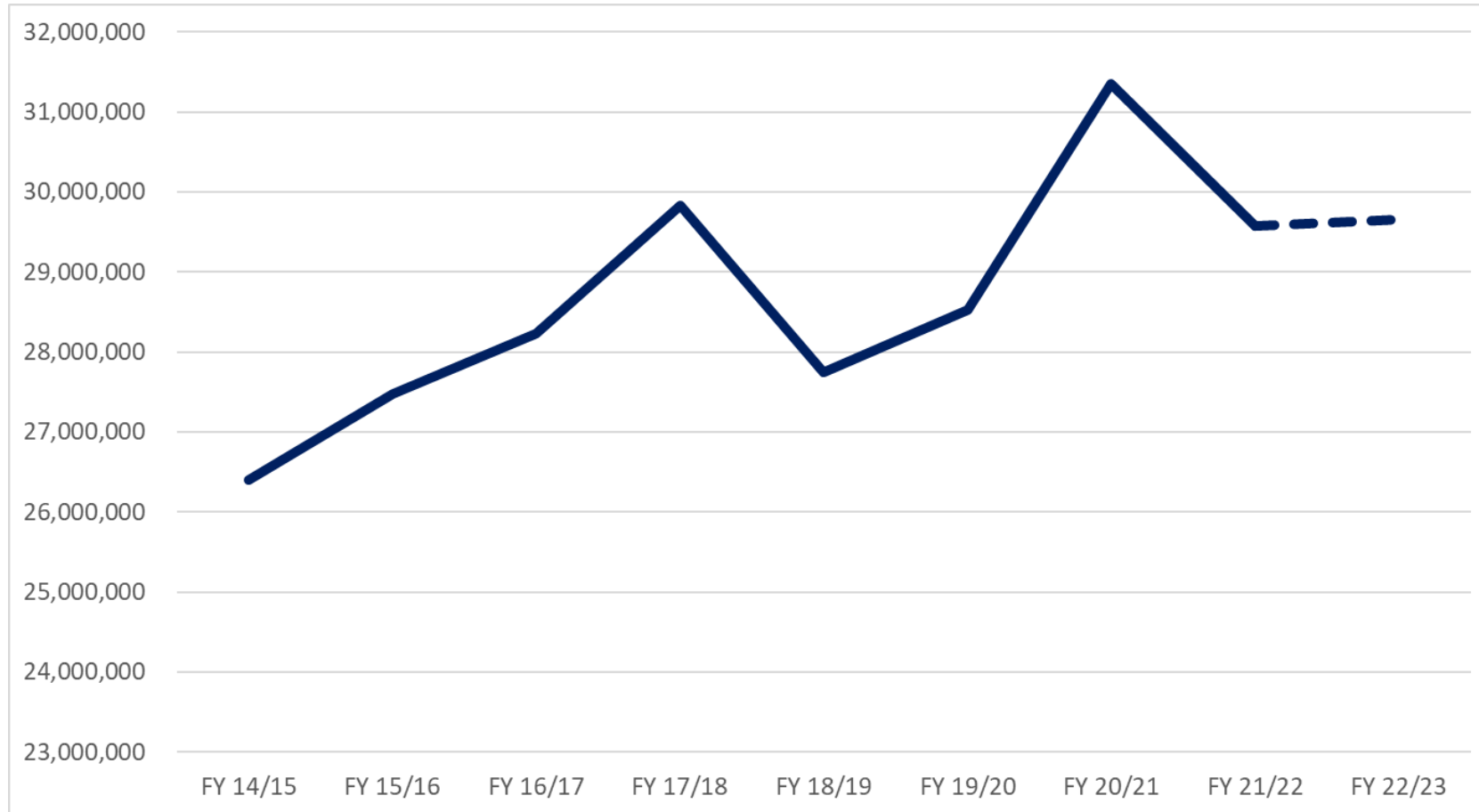
	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Multifamily Permits Issued - Units	521	1,218	1,340	2,269	1,904

Prospective Units:

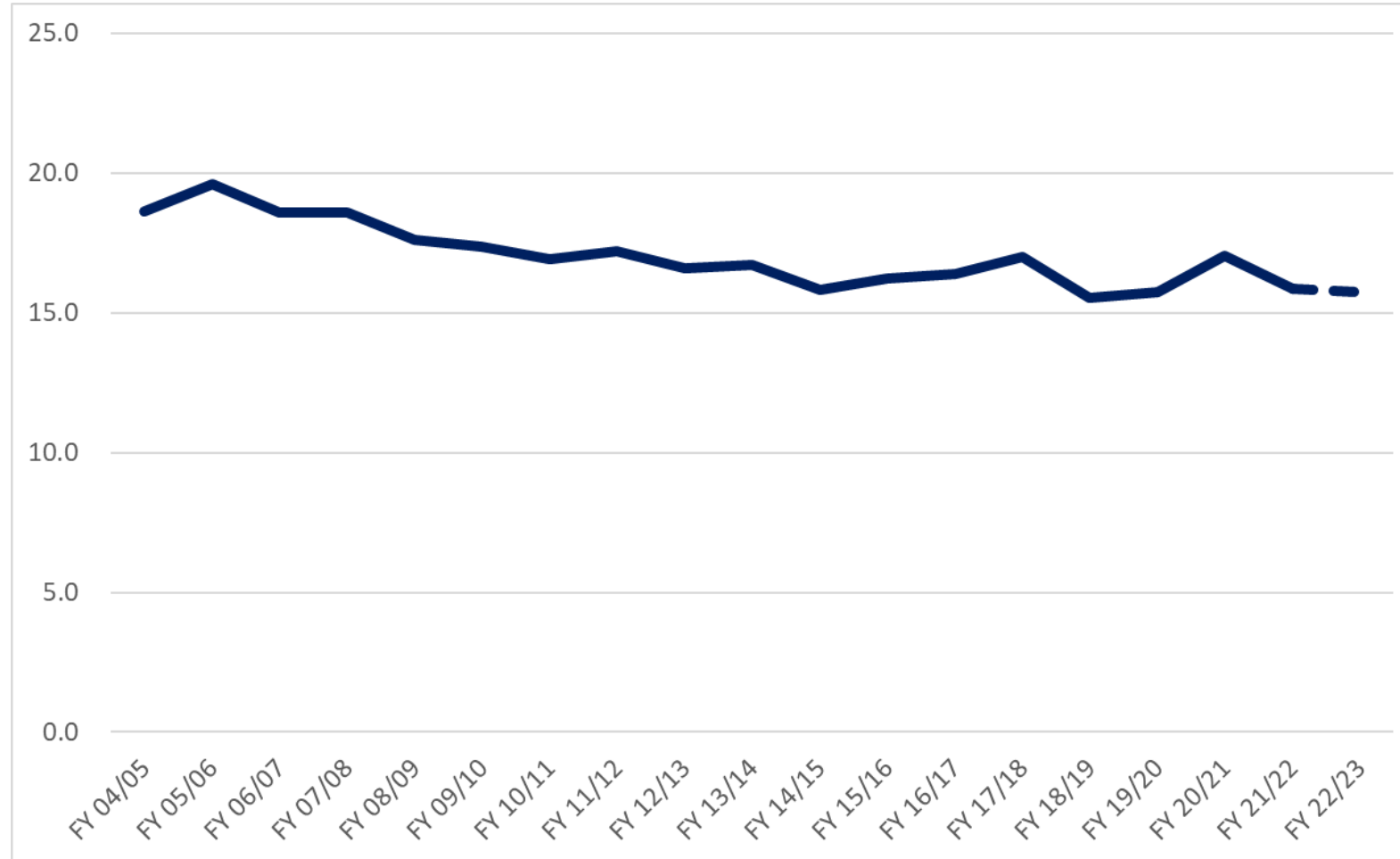
1,662 – in Building /
Construction Plan Review

2,131 – Site Plan / Zoning
Approved

Water Consumption to All Customers



Monthly Water Consumption per Account for All Customers

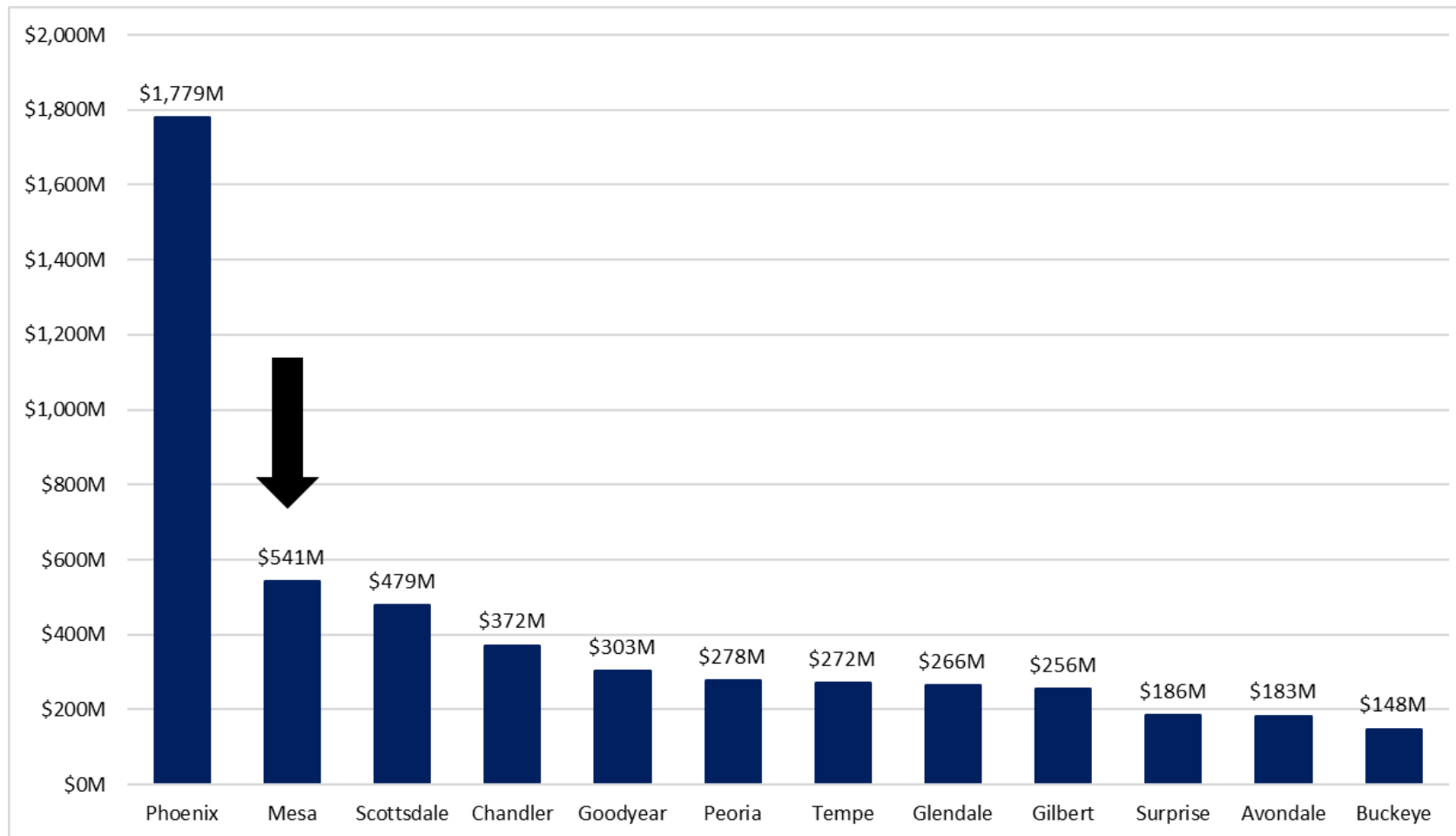


Consumption in thousands of gallons

Valley Cities Comparisons

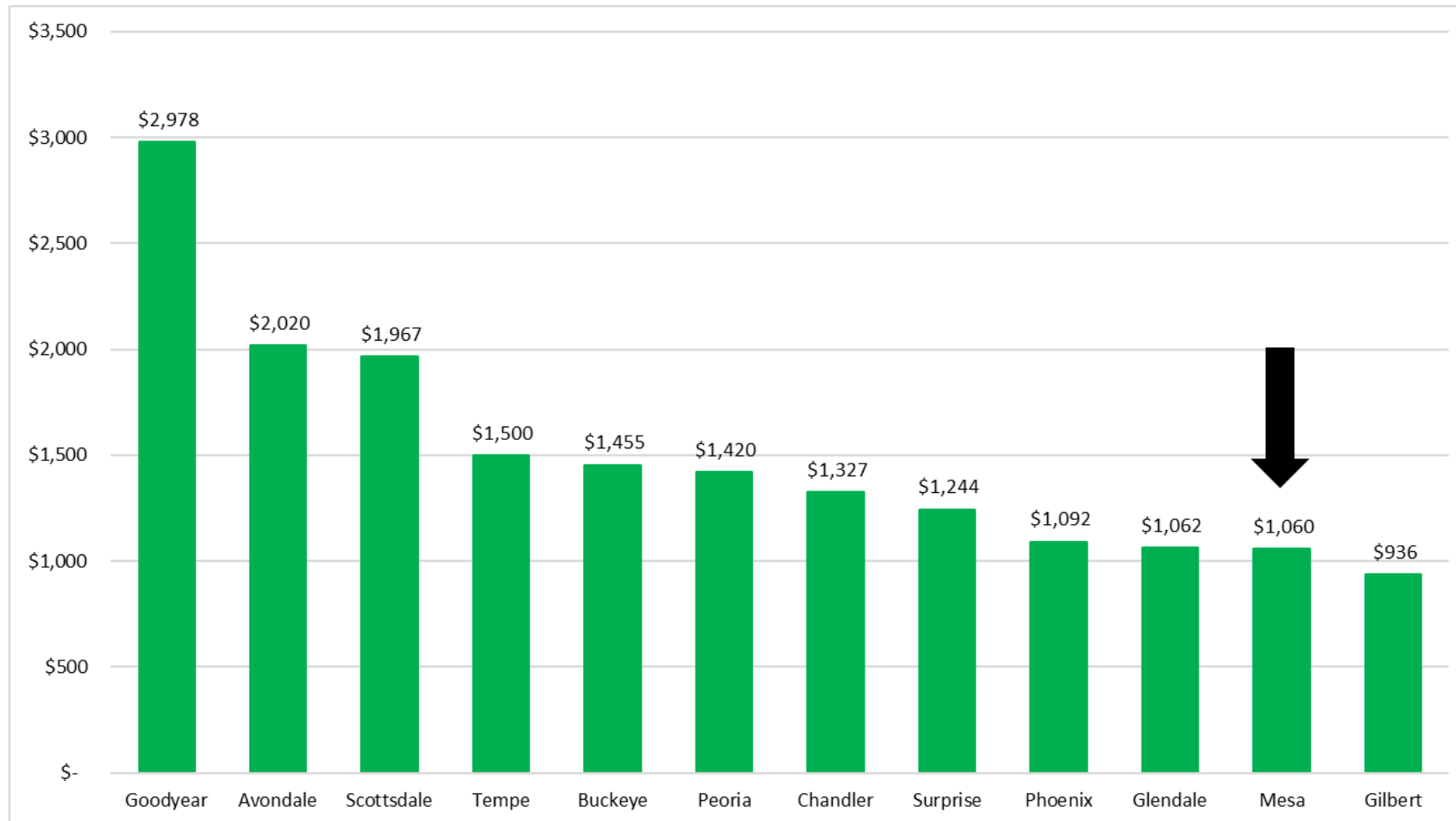


FY 22/23 General Fund Budget by City

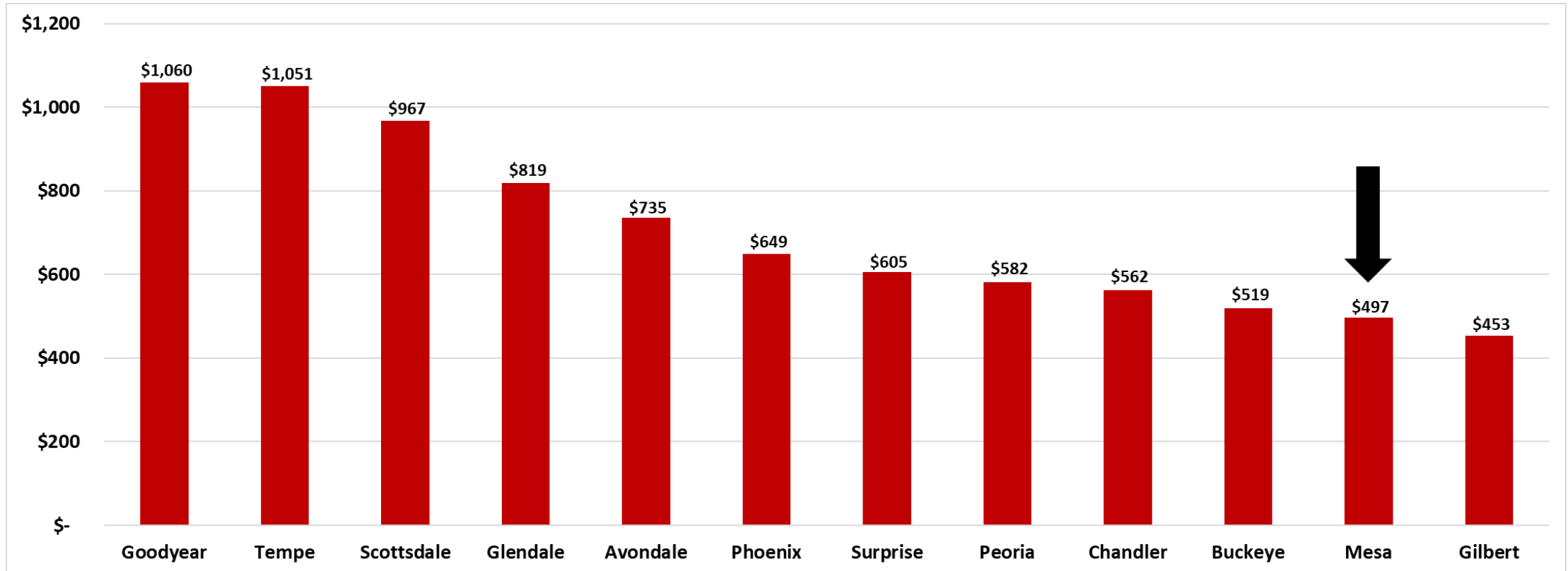


Source: FY 2022/23 Tentative Budget - Auditor General Schedule A

FY 22/23 General Fund Spending per Capita



FY 20/21 Sales Tax Revenue per Capita

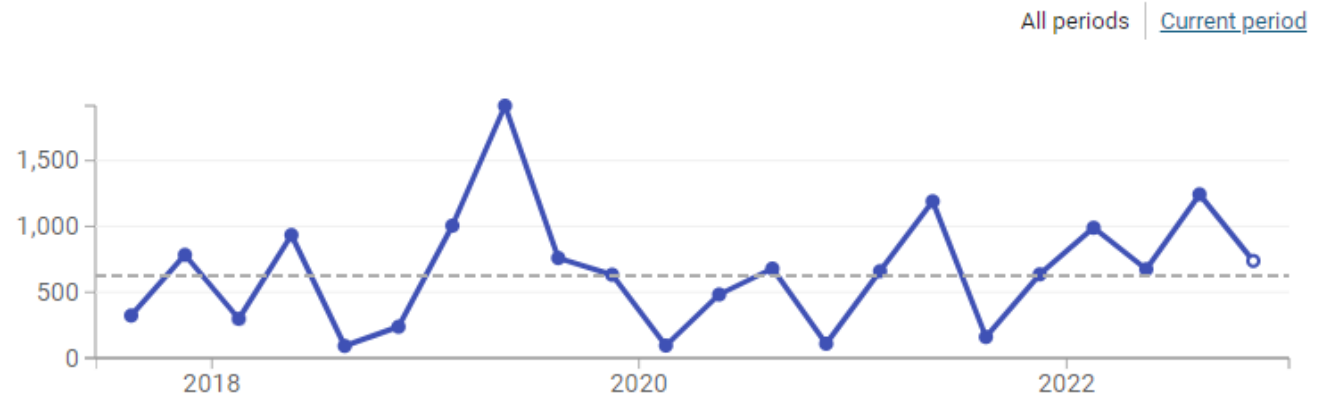
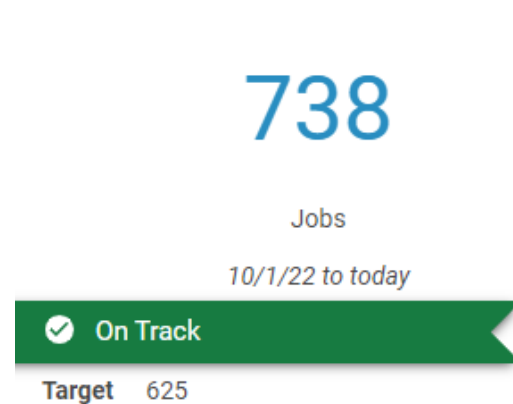


***The cities of Phoenix and Mesa do not apply sales tax to food for consumption at home (groceries).**

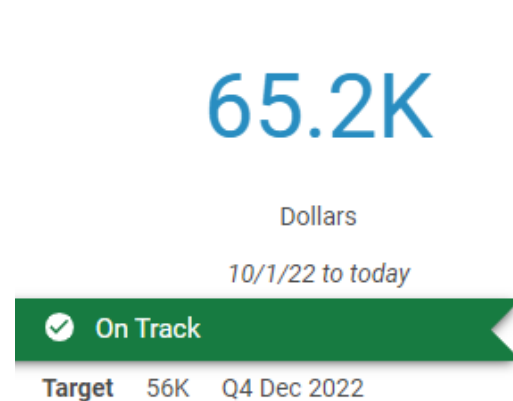
Source: FY 2020/21 Comprehensive Annual Financial Reports

Mesa Jobs and Wage Data

Announced New and Retained Jobs



Average Annual Wage of New Jobs Announced and Jobs Retained





mesa•az